

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In Re:

W.R. GRACE & CO., et al.,

Debtors.

Chapter 11

Bankruptcy No. 01-01139 (JKF)

(Jointly Administered)

**Hearing Date: September 27, 2004 @ 12:00 PM**

**Objections Due: June 28, 2004**

**SUMMARY OF THE TWELFTH<sup>1</sup> INTERIM QUARTERLY APPLICATION  
OF ELZUFON AUSTIN REARDON TARLOV & MONDELL, P.A., FOR  
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT  
OF EXPENSES AS DELAWARE COUNSEL TO THE ZONOLITE ATTIC  
INSULATION CLAIMANTS FOR THE INTERIM PERIOD FROM  
JANUARY 1, 2004 THROUGH MARCH 31, 2004**

**Name of Applicant:** Elzufon Austin Reardon Tarlov & Mondell, P.A.

**Authorized to provide  
Professional services to:** Zonolite Attic Insulation Claimants

**Date of retention:** July 22, 2002

**Period for which compensation  
and reimbursement is sought:** January 1, 2004 through  
March 31, 2004

**Amount of compensation sought  
as actual reasonable and necessary:** \$ 4,345.50

**Amount of expense reimbursement  
sought as actual reasonable and  
necessary:** \$ 4,068.14

This is a: \_\_\_\_\_ Monthly X Quarterly \_\_\_\_\_ Final Application

**Prior Application Filed:** Yes.

<sup>1</sup> To conform with the titles of the quarterly applications being filed by the firms who have been in the case since its inception, EARTM is titling this the "Twelfth Interim Quarterly Application although it is actually EARTM's seventh such application.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Status of Fees	Status of Expenses
11/19/02	7/23/02 through 9/30/02	\$ 5,738.00	\$ 692.54	Approved	Approved
3/5/03	10/1/02 through 12/31/02	\$ 7,800.50	\$ 2,547.87	Approved	Approved
6/2/03	1/1/03 through 3/31/03	\$ 7,315.50	\$ 1,876.44	Approved	Approved
9/3/03	4/1/03 through 6/30/03	\$ 5,937.50	\$ 4,284.81	Pending	Pending
11/19/03	7/1/03 through 9/30/03	\$10,919.00	\$ 2,387.21	Pending	Pending
2/18/04	10/1/03 through 12/31/03	\$5,973.50	\$3,343.18	Pending	Pending

The total time expended for the preparation of this application is approximately 3.5 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$450.00.

The Elzufon Austin Reardon Tarlov & Mondell, P.A., attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly Billing Rate	Total billed hours	Total compensation
William D. Sullivan	Partner	13	Bankruptcy	\$220.00	6.5	\$ 1,430.00
Charles J. Brown	Associate	10	Bankruptcy	\$190.00	.7	\$133.00
TOTALS					7.2	\$1,566.00

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years in position	Department	Hourly Billing Rate	Total billed hours	Total compensation
Michael Young	Paralegal	2	Bankruptcy	\$75.00	37.1	\$2,782.50
TOTALS					37.1	\$2,782.50

**Compensation by Project Category**

Category	Total Hours	Total Fees
22-ZAI Science Trial	1.4 Hours	\$308.00
11 and 12-Fee Applications	44.4 Hours	\$4,037.50
TOTALS	45.8 Hours	\$4,345.50

**Expenses**

Description	Amount
Computer Assisted Legal Research	
Telephone Expense	
Telephone Expense – Outside	
Facsimile (\$1.00 per page)	
Postage Expense	
Courier & Express Carriers	\$5.00
In-House Duplicating / Printing (\$.15 per page)	\$868.05
Outside Duplicating / Printing	\$3,195.09
Lodging	
Transportation	
Air Travel Expense	
Taxi Expense	
Mileage Expense	
Travel Meals	
Parking	
General Expense	
Expert Services	
Books/Videos	
Total:	\$4,068.14

Dated: Wilmington, Delaware  
June 7, 2004

ELZUFON, AUSTIN, REARDON,  
TARLOV & MONDELL, P.A.

/s/ William D. Sullivan

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Delaware Counsel to ZAI Claimants

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
W.R. Grace & Co., <u>et al.</u> ,	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
Debtors.	)	
	)	<b>Hearing Date: September 27, 2004 @ 12:00 PM</b>
	)	<b>Objections Due: June 28, 2004</b>

**TWELFTH INTERIM QUARTERLY APPLICATION OF ELZUFON  
AUSTIN REARDON TARLOV & MONDELL, P.A., FOR COMPENSATION  
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS DELAWARE  
COUNSEL TO THE ZAI CLAIMANTS FOR THE INTERIM PERIOD  
FROM JANUARY 1, 2004 THROUGH MARCH 31, 2004**

Pursuant to Sections 327, 330 and 331 of Title 11 of the United States Code (as amended, the “Bankruptcy Code”), Fed. R. Bankr. P. 2016, the Appointment Order (as defined below), the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (the “Interim Compensation Order”), the Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (the “Amended Interim Compensation Order” and collectively with the Interim Compensation Order, the “Compensation Order”) and Del.Bankr.LR 2016-2, the law firm of Elzufon Austin Reardon Tarlov & Mondell, P.A., (“Applicant” or “EARTM”), Delaware Counsel to the ZAI Claimants, hereby applies for an order allowing it: (i) compensation in the amount of \$4,345.50 for the reasonable and necessary legal services EARTM has rendered; and (ii) reimbursement for the actual and necessary expenses EARTM has incurred in the amount of \$4,048.14 (the “Twelfth Interim Quarterly Fee Application”), for the interim quarterly period from January 1, 2004 through March 31, 2004 (the “Fee Period”). In support of the Twelfth Interim Quarterly Fee Application, EARTM

respectfully states as follows:

### **Background**

#### **Retention of EARTM**

1. On April 2, 2001 (The “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). On April 2, 2001, the Court entered an order procedurally consolidating the Chapter 11 Cases for administrative purposes only. Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On May 3, 2001, this Court entered the Interim Compensation Order and entered the Amended Interim Compensation Order on April 17, 2002. By this Court’s order effective as of July 22, 2002, EARTM was appointed as Delaware Counsel on behalf of the ZAI Claimants to prosecute the ZAI “Science Trial” issues on behalf of the ZAI Claimants’ position against Debtors’ position (the “Appointment Order”). The Appointment Order authorized a total budget for ZAI Counsel of \$1.5 million in fees and \$500,000.00 in expenses for prosecuting the Science Trial. On July 28, 2003, the Court entered an order approving the Joint Motion of Debtors and ZAI Claimants to Increase Budget for Science Trial (the “Budget Increase Order”). According to the Budget Increase Order the litigation budget is increased \$950,000.00 per side for fees and expenses in the course of prosecuting the Science Trial against which EARTM may be compensated for legal services at its regular hourly rates, and for actual and necessary out-of-pocket expenses incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and all applicable local rules and orders of this Court.

**Monthly Interim Fee Applications Covered Herein**

3. Pursuant to the procedures set forth in the Compensation Order, professionals may apply for monthly compensation and reimbursement (each such application, a “Monthly Fee Application”) subject to any objections lodged by the Notice Parties, as defined in the Compensation Order. If no objection is filed to a Monthly Fee Application within twenty (20) days after the date of service of the Monthly Fee Application, the applicable professional may submit to the Court a certification of no objection whereupon the Debtors are authorized to pay interim compensation and reimbursement of 80% of the fees and 100% of the expenses requested.

4. Furthermore, and also pursuant to the Compensation Order, professionals are to file and serve upon the notice parties a quarterly request (a “Quarterly Fee Application”) for interim Court approval and allowance of the Monthly Fee Applications filed during the quarter covered by that Quarterly Fee Application. If the Court grants the relief requested by the Quarterly Fee Application, the Debtors are authorized and directed to pay the professional 100% of the fees and expenses requested in the Monthly Fee Applications covered by that Quarterly Fee Application less any amounts previously paid in connection with the Monthly Fee Applications. Any payment made pursuant to the Monthly Fee Applications or a Quarterly Fee Application is subject to final approval of all fees and expenses at a hearing on the professional’s final fee application.

5. This is the Twelfth Interim Quarterly Fee Application that EARTM has filed with the Bankruptcy Court in connection with these Chapter 11 Cases.

6. EARTM has filed the following Monthly Fee Applications for interim compensation during this Fee Period:

1. The Fourteenth Monthly Application of Elzufon Austin Reardon Tarlov & Mondell, P.A. for Compensation for Services Rendered and Reimbursement of Expenses as Counsel to the Zonolite Attic Insulation Claimants for the Period of January 1, 2004 through January 31, 2004 (the “January Fee Application”) attached hereto as Exhibit A.
2. The Fifteenth Monthly Application of Elzufon Austin Reardon Tarlov & Mondell, P.A. for Compensation for Services Rendered and Reimbursement of Expenses as Counsel to the Zonolite Attic Insulation Claimants for the Period of February 1, 2004 through February 29, 2004 (the “February Fee Application”) attached as Exhibit B.
3. The Sixteenth Monthly Application of Elzufon Austin Reardon Tarlov & Mondell, P.A. for Compensation for Services Rendered and Reimbursement of Expenses as Counsel to the Zonolite Attic Insulation Claimants for the Period of March 1, 2004 through March 31, 2004 (the “March Fee Application”) attached as Exhibit C.

7. The period for objecting to the fees and expense reimbursement requested in the January Fee Application, February Fee Application and March Application has not yet expired.

8. During the Fee Period, EARTM has prepared for the ZAI Science Trial as detailed in the Application.

**Requested Relief**

9. By this Twelfth Interim Quarterly Fee Application, EARTM requests that the Court approve the interim allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by EARTM for the Fee Period as

detailed in the Application, less any amounts previously paid to EARTM pursuant to the Application and the procedures set forth in the Compensation Order. The full scope of services provided and the related expenses incurred are fully described in the Applications, which are attached hereto as Exhibits A through C.

**Disinterestedness**

10. With the exception of its representation of ZAI claimants and other unrelated parties with matters before this court, EARTM does not hold or represent any interest adverse to the Debtors' estates.

11. In addition, EARTM may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to the Debtors and the Chapter 11 Cases.

**Representations**

12. EARTM believes that the Application is in compliance with the requirements of Del.Bankr.LR 2016-2.

13. EARTM performed the services for which it is seeking compensation under its Court Appointment effective as of July 22, 2002.

14. During the Fee Period, EARTM has received no payment, nor has it received any promises for payment, from any other source for services rendered or to be rendered on behalf of the ZAI Claimants in connection with these Chapter 11 Cases.

15. Pursuant to Fed. R. Bank. P. 2016(b), EARTM has not shared, nor has it agreed to share: (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of EARTM; or (b) any compensation another person or party has received or may receive in connection with the Chapter 11 Cases.



16. Although every effort has been made to include all fees and expenses from the Fee Period in the Application, some fees and expenses from the Fee Period might not be included in the Application due to accounting and processing delays. EARTM reserves the right to make further application to the Court for allowance of fees and expenses for the Fee Period not included herein.

WHEREFORE, EARTM respectfully requests that the Court enter an order providing: (a) that for the Fee Period an administrative allowance be made to EARTM in the sum of (i) \$4,345.50 as compensation for reasonable and necessary professional services, and (ii) 4,048.14 for reimbursement of actual and necessary costs and expenses incurred (for a total of \$8,413.64); (b) that the Debtors be authorized and directed to pay to EARTM the outstanding amount of such sums less any sums previously paid to EARTM pursuant to the Application and the procedures set forth in the Compensation Order; and (c) that this Court grant such further relief as is equitable and just.

Dated: Wilmington, Delaware  
June 7, 2004

ELZUFON AUSTIN REARDON  
TARLOV & MONDELL, P.A.

/s/ William D. Sullivan  
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Delaware Counsel for ZAI Claimants

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
W.R. Grace & Co., <u>et al.</u> ,	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
Debtors.	)	

**ORDER GRANTING THE TWELFTH INTERIM QUARTERLY APPLICATION  
OF ELZUFON AUSTIN REARDON TARLOV & MONDELL, P.A. FOR  
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES  
AS ZAI SPECIAL COUNSEL FOR THE INTERIM PERIOD FROM  
JANUARY 1, 2004 THROUGH MARCH 31, 2004**

Elzufon Austin Reardon Tarlov & Mondell, P.A. ("EARTM") as Delaware counsel to ZAI Claimants in the above-referenced bankruptcy case, filed the Twelfth Quarterly Application for Allowance of Compensation and Reimbursement of Expenses for January 1, 2004 through March 31, 2004 (the "Twelfth Quarterly Application"). The Court has reviewed the Twelfth Quarterly Application and finds that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) notice of the Twelfth Quarterly Application, and any hearing on the Twelfth Quarterly Application, was adequate under the circumstances; and (c) all person with standing have been afforded the opportunity to be heard on the Twelfth Quarterly Application.

Accordingly, it is hereby

ORDERED that the Twelfth Quarterly Application is GRANTED as modified herein, on an interim basis. Debtors shall pay to EARTM the sum of \$4,345.50 as compensation and \$4,068.14 as reimbursement of expenses, for a total of \$8,413.64 for services rendered and disbursements incurred by EARTM for the period January 1, 2004 through March 31, 2004, less any amounts previously paid in connection with the monthly fee applications.

Dated: \_\_\_\_\_, 2004

\_\_\_\_\_  
The Honorable Judith K. Fitzgerald  
United States Bankruptcy Judge

**CERTIFICATE OF SERVICE**

I, William D. Sullivan, Esquire, hereby certify that on June 7, 2004 service of the foregoing:

- **Twelfth Interim Quarterly Application of Elzufon Austin Reardon Tarlov & Mondell, P.A., for Compensation for Services Rendered and Reimbursement of Expenses as Delaware Counsel to the Zonolite Attic Insulation Claimants for the Interim Period from January 1, 2004 through March 31, 2004**

was made upon the attached Service List via hand delivery and first class mail.

Dated: Wilmington, Delaware  
June 7, 2004

/s/ William D. Sullivan  
WILLIAM D. SULLIVAN

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